

## RUSSIA AND THE WEST IN IRAN

conducted parleys with the Soviet government for permission to transport north Iranian oil through Soviet territory, via the Baku-Batum pipe line. In return for this permission Sinclair would pledge itself to buy Soviet oil in quantities equal or larger than the amount of Iranian oil in transit. These talks were unsuccessful. To add to the failure, Sinclair's Sakhalin concession was annulled by the Soviets, and the company lost also the sales agency of Soviet oil products.

In Teheran, in the meantime, a few significant incidents took place. On the day that the Majlis voted the bill authorizing the concession, a fire broke out in the parliament building. The deed was intentional, and the perpetrator was arrested. More important was the murder of the American vice-consul in Teheran. There was a strong suspicion that both acts were in some way connected with the question of oil. As a consequence, in the summer of 1924 the Sinclair Company representative left Teheran, informing the Iranian government that the attitude of Soviet Russia did not permit the continuation of negotiations.

During the next thirteen years nothing was done to revive the problem of northern oil. In 1937, however, American oil interests showed a renewed interest in it. On February 4, 1937, the Majlis voted to grant the concession to the Amiranian Oil Company for the exploitation of oil in the northeastern province of Khorasan. The Amiranian Oil Company (owned by the Seaboard Oil Company of Delaware) obtained in addition the nonexclusive right to process and transport oil on the entire territory of Iran. The clauses of the concession resembled closely those of the new concession

granted in 1933 to the Anglo-Iranian. Simultaneously the Iranian Pipe-Line Company, affiliated with Seaboard of Delaware, obtained a concession to construct pipe lines in Iran.

This time it seemed that the new concession would endure, untroubled by opposition from any side. Reza Shah's position was strong both internally and externally, and it was doubtful whether any foreign pressure would be able to cause the cancellation of the new agreement. Despite that, the new concession came to an end in 1938. It was the Amiranian Oil Company that, on its own initiative, gave notice of renunciation to the Iranian government. In a letter addressed to the government, the company explained that its